



Reprinted  
April 9, 1999

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## ENGROSSED SENATE BILL No. 123

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DIGEST OF SB 123 (Updated April 8, 1999 3:49 pm - DI 75)

**Citations Affected:** IC 2-2.1; IC 2-3.5; IC 2-5; IC 2-7; IC 4-10; IC 4-22; IC 4-30; IC 5-13; IC 8-15; IC 12-7; IC 12-11; IC 12-17; IC 14-13; IC 14-25; IC 15-1; IC 15-1.5; IC 29-1; IC 32-3; IC 33-1; IC 33-2.1; noncode.

**Synopsis:** Legislative matters. Establishes a fixed number of specified legislative study committees effective January 1, 2000. Requires a legislative study to be assigned to one of the legislative study committees. Provides that a legislative study committee consists of 12 members, six appointed from each house of the general assembly and equally divided between the political parties. Provides that the president pro tempore of the senate and the speaker of the house of representatives may each appoint two additional legislative, and two  
(Continued next page)

**Effective:** January 1, 1999 (retroactive); upon passage; July 1, 1999; January 1, 2000.

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### Miller

(HOUSE SPONSORS — BROWN C, BUELL, KRUZAN)

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January 6, 1999, read first time and referred to Committee on Rules and Legislative Procedure.

February 11, 1999, amended, reported favorably — Do Pass.

February 23, 1999, read second time, amended, ordered engrossed.

February 24, 1999, engrossed.

March 1, 1999, read third time, passed. Yeas 33, nays 16.

#### HOUSE ACTION

March 3, 1999, read first time and referred to Committee on Rules and Legislative Procedure.

April 5, 1999, amended, reported — Do Pass.

April 8, 1999, read second time, amended, ordered engrossed.

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additional lay members, to a study committee. Requires that 12 members of a legislative study committee must be appointed from the standing committees that have subject matter jurisdiction over the subject matter of the study. Specifies that the chairman and vice chairman of the legislative council each appoint an equal number of chairs and vice chairs of interim study committees each year. Provides general procedures for the operation of a legislative study committee. Provides that the study committee structure expires January 1, 2002. Repeals existing statutory study committees except the regulatory flexibility committee. Provides that the Lake Michigan Marina Development Commission has three legislative members. Provides that a legislator's statement of economic interests is not required to include a report of purchases made after December 31, 1998 by a lobbyist from the legislator's retail business made in the ordinary course of business at prices that are available to the general public.

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Reprinted  
April 9, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## ENGROSSED SENATE BILL No. 123

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A BILL FOR AN ACT to amend the Indiana Code concerning the general assembly.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 2-2.1-3-2 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:  
3 Sec. 2. (a) Not later than seven (7) calendar days following the first  
4 session day in January of each year every member of the general  
5 assembly shall file with the principal clerk of the house or secretary of  
6 the senate, respectively, a written statement of the member's or  
7 candidate's economic interests for the preceding calendar year listing  
8 the following:  
9 (1) The name of the member's or candidate's employer and the  
10 employer of the member's or candidate's spouse and the nature of  
11 the employer's business. The house of representatives and senate  
12 need not be listed as an employer.  
13 (2) The name of any sole proprietorship owned or professional  
14 practice operated by the member or candidate or the member's or  
15 candidate's spouse and the nature of the business.  
16 (3) The name of any partnership of which the member or candidate

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or the member's or candidate's spouse is a member and the nature of the partnership's business.

(4) The name of any corporation of which the member or candidate or the member's or candidate's spouse is an officer or director and the nature of the corporation's business. Churches need not be listed.

(5) The name of any corporation in which the member or candidate or the member's or candidate's spouse or unemancipated children own stock or stock options having a fair market value in excess of ten thousand dollars (\$10,000). No time or demand deposit in a financial institution or insurance policy need be listed.

(6) The name of any state agency or the supreme court of Indiana which licenses or regulates the following:

(A) The member's or candidate's or the member's or candidate's spouse's profession or occupation.

(B) Any proprietorship, partnership, corporation, or limited liability company listed under subdivision (2), (3), or (4) and the nature of the licensure or regulation.

The requirement to file certain reports with the secretary of state or to register with the department of state revenue as a retail merchant, manufacturer, or wholesaler shall not be considered as licensure or regulation.

(7) The name of any person whom the member or candidate knows to have been a lobbyist in the previous calendar year and knows to have purchased any of the following:

(A) From the member or candidate, the member's or candidate's sole proprietorship, or the member's or candidate's family business, goods or services for which the lobbyist paid in excess of one hundred dollars (\$100).

(B) From the member's or candidate's partner, goods or services for which the lobbyist paid in excess of one thousand dollars (\$1,000).

**This subdivision does not apply to purchases made after December 31, 1998, by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public. For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as defined in IC 6-2.5-1-8.**

(8) The name of any person or entity from whom the member or candidate received the following:

(A) Any gift of cash from a lobbyist.



(B) Any single gift other than cash having a fair market value in excess of one hundred dollars (\$100).

However, a contribution made by a lobbyist to a charitable organization (as defined in Section 501(c) of the Internal Revenue Code) in connection with a social or sports event attended by legislators need not be listed by a member of the general assembly unless the contribution is made in the name of the legislator.

(C) Any gifts other than cash having a fair market value in the aggregate in excess of two hundred fifty dollars (\$250). Campaign contributions need not be listed. Gifts from a spouse or close relative need not be listed unless the donor has a substantial economic interest in a legislative matter.

(9) The name of any lobbyist who is:

(A) a member of a partnership or limited liability company;

(B) an officer or a director of a corporation; or

(C) a manager of a limited liability company;

of which the member of or candidate for the general assembly is a partner, an officer, a director, a member, or an employee, and a description of the legislative matters which are the object of the lobbyist's activity.

(10) The name of any person or entity on whose behalf the member or candidate has appeared before, contacted, or transacted business with any state agency or official thereof, the name of the state agency, the nature of the appearance, contact, or transaction, and the cause number, if any. This requirement does not apply when the services are rendered without compensation.

(11) The name of any limited liability company of which the member of the general assembly, the candidate, or the member's or candidate's individual spouse has an interest.

(b) Before any person, who is not a member of the general assembly files the person's declaration of candidacy, declaration of intent to be a write-in candidate, or petition of nomination for office or is selected as a candidate for the office under IC 3-13-1 or IC 3-13-2, the person shall file with the clerk of the house or secretary of the senate, respectively, the same written statement of economic interests for the preceding calendar year that this section requires members of the general assembly to file.

(c) Any member of or candidate for the general assembly may file an amended statement upon discovery of additional information required to be reported.

SECTION 2. IC 2-3.5-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. "Salary" means:

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(1) the salary; and  
 (2) the business per diem allowance and the subsistence allowance treated as compensation for federal income tax purposes; paid to a participant by the state, determined without regard to any salary reduction agreement established under Section 125 **or Section 457** of the Internal Revenue Code.

SECTION 3. IC 2-3.5-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) The defined contribution fund consists of the following:

- (1) Each participant's contributions to the fund.
- (2) Contributions made to the fund on behalf of the participants under section 5 of this chapter.
- (3) Amounts transferred to the fund under subsections (b) and (c).
- (4) All gifts, grants, devises, and bequests in money, property, or other form made to the fund.
- (5) All earnings on investments or on deposits of the funds.
- (6) All contributions or payments to the fund made in a manner provided by the general assembly.

(b) On **any** July 1 following the date a participant begins participation in the defined contribution fund, if the participant has been before that date a member of PERF, any amount in the PERF annuity savings account credited to the participant may at the participant's irrevocable option be transferred **one (1) time** to the defined contribution fund for the benefit of the participant. At no other time, if the participant continues or begins to participate in PERF, may such a transfer be made.

(c) On **any** July 1 following the date a participant begins participation in the defined contribution fund, if the participant has been before that date a member of TRF, the amount in the TRF annuity savings account credited to the participant may at the participant's irrevocable election be transferred **one (1) time** to the defined contribution fund for the benefit of the participant. At no other time, if the participant continues or begins to participate in TRF, may the transfer be made.

(d) Each participant shall be credited individually with:

- (1) the participant's contributions to the fund under section 4 of this chapter, which shall be credited to the ~~employee contribution~~ **participant's** account;
- (2) the contributions made to the fund on behalf of the participant under section 5 of this chapter, which shall be credited to the ~~employer contribution~~ **participant's** account;
- (3) the amount transferred to the fund under subsections (b) and



(c), which shall be credited to the ~~employee contribution~~  
**participant's** account; and

(4) the net earnings on ~~each of~~ the participant's accounts,  
determined and credited annually under section 3 of this chapter.

SECTION 4. IC 2-3.5-5-3 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) **The PERF**  
**board shall establish alternative investment programs within the**  
**fund, based on the following requirements:**

(1) **The PERF board shall maintain at least one (1) alternative**  
**investment program that is an indexed stock fund and one (1)**  
**alternative investment program that is a bond fund.**

(2) **The programs should represent a variety of investment**  
**objectives.**

(3) **The programs may not permit a member to withdraw**  
**money from the member's account, except as provided in**  
**section 6 of this chapter.**

(4) **All administrative costs of each alternative program shall**  
**be paid from the earnings on that program.**

(5) **A valuation of each member's account must be completed**  
**as of the last day of each quarter.**

(b) **A member shall direct the allocation of the amount credited**  
**to the member among the available alternative investment funds,**  
**subject to the following conditions:**

(1) **A member may make a selection or change an existing**  
**selection at any time, but not more than four (4) times in a**  
**twelve (12) month period.**

(2) **The PERF board shall implement the member's selection**  
**beginning the first day of next calendar quarter that begins at**  
**least thirty (30) days after the selection is received by the**  
**PERF board. This date is the effective date of the member's**  
**selection.**

(3) **A member may select any combination of the available**  
**investment funds, in ten percent (10%) increments.**

(4) **A member's selection remains in effect until a new selection**  
**is made.**

(5) **On the effective date of a member's selection, the board**  
**shall reallocate the member's existing balance or balances in**  
**accordance with the member's direction, based on the market**  
**value on the effective date.**

(6) **If a member does not make an investment selection of the**  
**alternative investment programs, the member's account shall**  
**be invested in the bond fund.**



(7) All contributions to the member's account shall be allocated as of the last day of the quarter in which the contributions are received in accordance with the member's most recent effective direction. The PERF board shall not reallocate the member's account at any other time.

(c) When a member transfers the amount credited to the member from one (1) alternative investment program to another alternative investment program, the amount credited to the member shall be valued at the market value of the member's investment, as of the day before the effective date of the member's selection. When a member retires, becomes disabled, dies, or withdraws from the fund, the amount credited to the member shall be the market value of the member's investment as of the last day of the quarter preceding the member's distribution or annuitization at retirement, disability, death, or withdrawal, plus contributions received after that date.

(d) The PERF board shall annually determine the fair market value of each alternative program in the defined contribution fund, as of the allocation date, last day of each calendar quarter, as follows:

(1) The current fair market value shall exclude the employer contributions and employee contributions made on account of received during the year quarter ending on the current allocation date.

(2) The fair market value as of the immediately preceding allocation quarter end date shall include the employer contributions and employee contributions made on account of received during that preceding year quarter.

(3) The fair market value as of the immediately preceding allocation quarter end date shall exclude benefits paid from the fund during the year quarter ending on the current allocation quarter end date.

(b) The PERF board shall allocate the difference in fair market value between the immediately preceding and the current allocation date to the accounts of the participants in the same proportion that the balance of each participant's account as of the current allocation date (excluding employer contributions and employee contributions made on account of the year ending on the current allocation date) bears to the balance of all participants' accounts as of the current allocation date (excluding employer contributions and employee contributions made on account of the year ending on the current allocation date).

SECTION 5. IC 2-3.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) A participant who



terminates service as a member of the general assembly is entitled to withdraw both the participant's employee contribution account and employer contribution account from the defined contribution fund. The withdrawal shall be made on the later of the first day of the month following termination of service or thirty (30) days after the board receives a request for withdrawal from the fund. The amount available for the withdrawal shall be the fair market value of the participant's accounts on the June 30 preceding the date of withdrawal plus employee contributions deducted since the June 30 preceding the date of withdrawal.

(b) The withdrawal amount shall be paid in a lump sum, ~~or as an actuarially equivalent a~~ monthly annuity as ~~offered~~ **purchased** by the PERF board ~~and with the withdrawal amount, or a series of monthly installment payments over sixty (60), one hundred twenty (120), or one hundred eighty (180) months,~~ as elected by the participant. The forms of annuity **and installments** shall be established by the PERF board by rule, in consultation with the system's actuary.

SECTION 6. IC 2-3.5-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) This section applies to a participant who dies while a member of the general assembly, or who dies after terminating service as a member of the general assembly and prior to withdrawing the participant's account from the defined contribution fund. The participant's employee contribution account and the participant's employer contribution account shall be paid to a beneficiary or the beneficiaries designated on a form prescribed by the board. The amount paid shall be the fair market value of the participant's accounts on the June 30 preceding the date of payment, plus employee contributions deducted since the June 30 preceding the date of payment. If there is no properly designated beneficiary, or if no beneficiary survives the participant, the participant's accounts shall be paid to:

- (1) the surviving spouse of the participant;
- (2) if there is no surviving spouse, a surviving dependent or the surviving dependents of the participant; or
- (3) if there is no surviving spouse and no surviving dependent, the estate of the participant.

(b) Amounts payable under this section shall be paid in a lump sum, ~~or in an actuarially equivalent a~~ monthly annuity as ~~offered~~ **purchased** by the PERF board ~~and with the withdrawal amount, or a series of monthly installment payments over sixty (60) months,~~ as elected by the recipient. The forms of annuity **and installments** available shall be established by the PERF board by rule, in consultation with the



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system's actuary.

SECTION 7. IC 2-5-1.1-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 6.5. (a) **As used in this section, "agency" includes an agency, an authority, a board, a bureau, a commission, a committee, a department, a division, an institution, or other similar entity created or established by law.**

(b) The council shall, upon consultation with the governor's office, develop an annual report format taking into consideration, among other things, program budgeting, with the final format to be determined by the council. The format may be distributed to any agency. ~~(as defined in IC 2-5-21-1)~~. The agency shall complete and return fifteen (15) copies to the legislative council before September 1 of each year for the preceding fiscal year.

~~(b)~~ (c) The council shall distribute one (1) copy to the governor's office, one (1) copy to the budget agency, and three (3) copies to the state library.

~~(c)~~ (d) The reports are a public record and are open to inspection.

SECTION 8. IC 2-5-1.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]:

#### **Chapter 1.2. Legislative Study Committees**

**Sec. 1. As used in this chapter, "legislative study" refers to the study of an issue or topic of interest to the general assembly authorized, required, or urged by any of the following:**

- (1) A statute.
- (2) A concurrent resolution of the general assembly.
- (3) A resolution of the legislative council.

**Sec. 2. As used in this chapter, "study committee" refers to a legislative study committee established under section 3 of this chapter.**

**Sec. 3. The following legislative study committees are established:**

- (1) The legislative study committee on agricultural and rural issues.
- (2) The legislative study committee on children, families, and human affairs.
- (3) The legislative study committee on commerce and economic development.
- (4) The legislative study committee on courts and the criminal code.
- (5) The legislative study committee on education.
- (6) The legislative study committee on elections.



- (7) The legislative study committee on financial institutions.
- (8) The legislative study committee on government organization and planning.
- (9) The legislative study committee on health.
- (10) The legislative study committee on insurance.
- (11) The legislative study committee on the judiciary and civil law.
- (12) The legislative study committee on labor and pensions.
- (13) The legislative study committee on natural resources.
- (14) The legislative study committee on public policy.
- (15) The legislative study committee on the environment.
- (16) The legislative study committee on roads and transportation.
- (17) The legislative study committee on state and local government affairs.
- (18) The legislative study committee on tax and finance.

Sec. 4. (a) Except as provided in subsection (b), a study committee consists of the following members:

- (1) Six (6) members of the senate appointed by the president pro tempore of the senate with the advice of the minority leader of the senate. Not more than three (3) members appointed under this subdivision may be members of the same political party. The members appointed under this subdivision must be members of the standing committee of a senate that has jurisdiction over the subject matter of the legislative study, as determined by the president pro tempore of the senate.
- (2) Six (6) members of the house of representatives appointed by the speaker of the house of representatives with the advice of the minority leader of the house of representatives. Not more than three (3) members appointed under this subdivision may be members of the same political party. The members appointed under this subdivision must be members of a standing committee of the house that has jurisdiction over the subject matter of the legislative study, as determined by the speaker of the house of representatives.

(b) With the consent of the chairman and the vice chairman of the legislative council, a study committee may have four (4) members in addition to the members appointed under subsection (a). The president pro tempore of the senate and the speaker of the house of representatives, with the advice of their respective minority leaders, shall each appoint two (2) additional members to the study committee under this subsection. The two (2) members



1 appointed by the president pro tempore of the senate and the two  
 2 (2) members appointed by the speaker of the house of  
 3 representatives under this subsection:

- 4 (1) may not be members of the same political party; and
- 5 (2) are not required to be members of the same standing
- 6 committee of their respective houses as the members
- 7 appointed under subsection (a).

8 (c) A member of a study committee serves until the member:

- 9 (1) resigns from the study committee;
- 10 (2) fails to satisfy a requirement for membership on the study
- 11 committee, including membership:

12 (A) in the chamber of the general assembly from which  
 13 the member was appointed; or

14 (B) on the standing committee from which the member  
 15 was appointed; or

- 16 (3) is replaced by the member's appointing authority under
- 17 subsection (d).

18 (d) An appointing authority may replace a member appointed  
 19 by that appointing authority at any time. An individual who  
 20 exercises the power of an appointing authority may replace a  
 21 member of a study committee appointed by a predecessor of the  
 22 individual as the appointing authority.

23 (e) A vacancy on a legislative study committee shall be filled by  
 24 the appointing authority who appointed the member whose  
 25 position is vacant.

26 Sec. 5. (a) After January 1 of each year, the chairman of the  
 27 legislative council may designate:

- 28 (1) a chair of the study committees established in section 3(1)
- 29 through 3(9) of this chapter from among each study
- 30 committee's members; and
- 31 (2) a vice chair of the study committees established in section
- 32 3(10) through 3(18) of this chapter from among each study
- 33 committee's members.

34 (b) The chairman of the legislative council may replace the chair  
 35 or vice chair of any study committee who was appointed by the  
 36 chairman of the legislative council.

37 (c) The chair or vice chair of a study committee appointed under  
 38 this section serves as chair or vice chair until the chair or vice chair  
 39 is:

- 40 (1) no longer a member of the study committee; or
- 41 (2) replaced under subsection (b).

42 Sec. 6. (a) After January 1 of each year, the vice chairman of the



legislative council may designate:

(1) a chair of the study committees established in section 3(10) through 3(18) of this chapter from among each study committee's members; and

(2) a vice chair of the study committees established in section 3(1) through 3(9) of this chapter from among each study committee's members.

(b) The vice chairman of the legislative council may replace the chair or vice chair of any study committee who was appointed by the vice chairman of the legislative council.

(c) The chair or vice chair of a study committee appointed under this section serves as chair or vice chair until the chair or vice chair is:

(1) no longer a member of the study committee; or

(2) replaced under subsection (b).

Sec. 6.5. The chair of a study committee may delegate any of the chair's powers to the vice chair of the study committee.

Sec. 7. If a legislative study is authorized, required, or urged, the legislative council shall determine which study committee shall conduct the legislative study.

Sec. 8. Subject to the legislative council's policies governing study committees, a study committee may meet at the call of the chair of the study committee.

Sec. 9. Each member of a study committee is a voting member.

Sec. 10. A majority of the members appointed to a study committee is necessary for a quorum other than meeting to hear testimony.

Sec. 11. The affirmative vote of a majority of the appointed members of a study committee is required for the study committee to take official action.

Sec. 12. The legislative services agency shall provide staff and administrative support for a study committee as directed by the legislative council.

Sec. 13. A study committee shall issue reports as required by the legislative council.

Sec. 14. The legislative council may establish a budget for a study committee.

Sec. 15. Each member of a study committee is entitled to receive:

(1) a per diem instead of subsistence; and

(2) reimbursement for actual mileage and travel expenses; established by the legislative council.



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1       **Sec. 16. The expenditures of a study committee shall be paid**  
 2 **from appropriations to the legislative council or to the legislative**  
 3 **services agency.**

4       **Sec. 17. The legislative council may adopt policies to govern**  
 5 **study committees that are not inconsistent with this chapter.**

6       **Sec. 18. This chapter expires January 1, 2002.**

7       SECTION 9. IC 2-7-3-6 IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: Sec. 6. (a) A  
 9 lobbyist shall file a written report with respect to a member of the  
 10 general assembly whenever either of the following occurs:

11       (1) The lobbyist has made a purchase described in  
 12 IC 2-2.1-3-2(a)(7) with respect to that member. **This subdivision**  
 13 **does not apply to purchases made after December 31, 1998, by**  
 14 **a lobbyist from a legislator's retail business made in the**  
 15 **ordinary course of business at prices that are available to the**  
 16 **general public. For purposes of this subdivision, a legislator's**  
 17 **business is considered a retail business if the business is a retail**  
 18 **merchant as defined in IC 6-2.5-1-8.**

19       (2) The lobbyist has made a gift described in IC 2-2.1-3-2(a)(8) to  
 20 that member.

21       (b) A report required by subsection (a) must state the following:

22       (1) The name of the lobbyist.

23       (2) Whether the report covers a purchase described in  
 24 IC 2-2.1-3-2(a)(7) or a gift described in IC 2-2.1-3-2(a)(8).

25       (c) A lobbyist shall file a copy of a report required by this section  
 26 with both of the following:

27       (1) The commission.

28       (2) The member of the general assembly with respect to whom the  
 29 report is made.

30       (d) A lobbyist shall file a report required by subsection (a) not more  
 31 than thirty (30) days after making the purchase or giving the gift.

32       SECTION 10. IC 4-10-13-6 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 6. Each state  
 34 agency required to prepare reports under the provisions of this chapter  
 35 may ~~after consultation with and agreement by the commission on state~~  
 36 ~~tax and financing policy~~ add to or omit specific categories of data from  
 37 the reports required by this chapter.

38       SECTION 11. IC 4-10-13-7 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. (a) The manner  
 40 of publication of any of the reports ~~as herein~~ **required by this chapter**  
 41 shall be prescribed by the state budget committee, and the cost of  
 42 publication shall be paid from funds appropriated to such state agencies



1 and allocated by the state budget committee to such agencies for such  
2 purpose.

3 (b) A copy of ~~such the~~ reports shall be presented to the governor,  
4 the state board of tax commissioners, the state budget committee, ~~the~~  
5 ~~commission on state tax and financing policy~~; the Indiana legislative  
6 ~~advisory commission~~; **council**, and to any other state agency that may  
7 request a copy of such reports.

8 SECTION 12. IC 4-22-2-19 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 19. (a) Except as  
10 provided in section 23.1 of this chapter, this section does not apply to  
11 the adoption of rules:

12 (1) required by statute if initiation of the rules is contingent upon  
13 the receipt of a waiver under federal law;

14 (2) that amend an existing rule;

15 (3) required by statutes enacted before June 30, 1995; or

16 (4) required by statutes enacted before June 30, 1995, and  
17 recodified in the same or similar form after June 29, 1995, in  
18 response to a program of statutory recodification conducted by the  
19 code revision commission.

20 (b) If an agency will have statutory authority to adopt a rule at the  
21 time that the rule becomes effective, the agency may conduct any part  
22 of its rulemaking action before the statute authorizing the rule becomes  
23 effective.

24 (c) ~~However~~, An agency shall

25 (1) begin the rulemaking process not later than sixty (60) days  
26 after the effective date of the statute that authorizes the rule. ~~or~~

27 (2) if an agency cannot comply with subdivision (1), immediately  
28 provide written notification to the administrative rules oversight  
29 committee stating the reasons for the agency's noncompliance.

30 If an agency notifies the administrative rules oversight committee  
31 concerning a rule in compliance with subdivision (2), failure to adopt  
32 the rule within the time specified in subdivision (1) does not invalidate  
33 the rule.

34 SECTION 13. IC 4-22-2-25 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 25. (a) An agency  
36 has one (1) year from the date that it publishes a notice of intent to  
37 adopt a rule in the Indiana Register under section 23 of this chapter to  
38 comply with sections 26 through 33 of this chapter and obtain the  
39 approval or deemed approval of the governor. ~~If an agency determines~~  
40 ~~that a rule cannot be adopted within one (1) year after the publication~~  
41 ~~of the notice of intent to adopt a rule under section 23 of this chapter;~~  
42 ~~the agency shall; before the two hundred fiftieth day following the~~



publication of the notice of intent to adopt a rule under section 23 of this chapter; notify the chairperson of the administrative oversight committee in writing of the:

(1) reasons why the rule was not adopted and the expected date the rule will be completed; and

(2) expected date the rule will be approved or deemed approved by the governor or withdrawn under section 41 of this chapter.

(b) If a rule is not approved before the later of:

(1) one (1) year after the agency publishes notice of intent to adopt the rule under section 23 of this chapter, or

(2) the expected date contained in a notice concerning the rule that is provided to the administrative rules oversight committee under subsection (a)(2);

a later approval or deemed approval is ineffective, and the rule may become effective only through another rulemaking action initiated under this chapter.

SECTION 14. IC 4-22-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7. (a) This section applies to the following agency statements:

(1) Executive orders issued by the governor.

(2) Notices that a rule has been disapproved or objected to by the attorney general under IC 4-22-2-32 or IC 4-22-2-38 or disapproved or objected to by the governor under IC 4-22-2-34 or IC 4-22-2-38.

(3) Official opinions of the attorney general (excluding advisory letters).

(4) Official explanatory opinions of the state board of accounts based on an official opinion of the attorney general.

(5) Any other statement:

(A) that:

(i) interprets, supplements, or implements a statute or rule;

(ii) has not been adopted in compliance with IC 4-22-2;

(iii) is not intended by its issuing agency to have the effect of law; and

(iv) may be used in conducting the agency's external affairs; or

(B) that specifies a policy that an agency relies upon to:

(i) enforce a statute or rule;

(ii) conduct an audit or investigation to determine compliance with a statute or rule; or

(iii) impose a sanction for violation of a statute or rule.



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1 This subdivision includes information bulletins, revenue rulings  
 2 (including, subject to IC 6-8.1-3-3.5, a letter of findings), and  
 3 other guidelines of an agency.

4 (6) A statement of the governor concerning extension of an  
 5 approval period under IC 4-22-2-34.

6 (b) Whenever an agency adopts a statement described by subsection  
 7 (a), the agency shall distribute two (2) duplicate copies of the statement  
 8 to the publisher for publication and indexing in the Indiana Register  
 9 and the copies required by IC 4-23-7.1-26 to the Indiana library and  
 10 historical department. However, if a statement under subsection  
 11 (a)(5)(B) is in the form of a manual, book, pamphlet, or reference  
 12 publication, the publisher is required to publish only the title of the  
 13 manual, book, or reference publication.

14 (c) Every agency that adopts a statement described under subsection  
 15 (a) also shall maintain a current list of all agency statements described  
 16 in subsection (a) that it may use in its external affairs. The agency shall  
 17 update the listing at least every thirty (30) days. The agency shall  
 18 include on the list the name of the agency and the following  
 19 information for each statement:

- 20 (1) Title.
- 21 (2) Identification number.
- 22 (3) Date originally adopted.
- 23 (4) Date of last revision.
- 24 (5) Reference to all other statements described in subsection (a)  
 25 that are repealed or amended by the statement.
- 26 (6) Brief description of the subject matter of the statement.

27 (d) At least quarterly, every agency that maintains a list under  
 28 subsection (c) shall distribute two (2) copies of the list to the publisher  
 29 and two (2) copies to the Indiana library and historical department. ~~and~~  
 30 ~~the administrative rules oversight committee.~~

31 SECTION 15. IC 4-30-16-3 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) The  
 33 commission shall transfer the surplus revenue in the administrative  
 34 trust fund as follows:

- 35 (1) Before the last business day of January, April, July, and  
 36 October, the commission shall transfer to the treasurer of state, for  
 37 deposit in the Indiana state teachers' retirement fund (IC 21-6.1-2),  
 38 an amount equal to the lesser of:
- 39 (A) seven million five hundred thousand dollars  
 40 (\$7,500,000); or
- 41 (B) the additional quarterly contribution needed so that the  
 42 ratio of the unfunded liability of the Indiana state teachers'



retirement fund compared to total active teacher payroll is as close as possible to but not greater than the ratio that existed on the preceding July 1.

On or before June 15 of each year, the board of trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state ~~each member of the pension management oversight commission~~, and the auditor of state its estimate of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most recent actuarial valuation of the fund. Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), the money transferred under this subdivision shall be set aside in a special account to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

(2) Before the last business day of January, April, July, and October, the commission shall transfer two million five hundred thousand dollars (\$2,500,000) of the surplus revenue to the treasurer of state for deposit in the pension relief fund (IC 5-10.3-11).

(3) The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers under subdivisions (1) and (2) shall be transferred by the commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) The commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1) and (a)(2). Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1) and (a)(2) shall be transferred to the build Indiana fund.

SECTION 16. IC 8-15-2-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 1.3. (a) The authority shall establish a written procedure for allocating money to projects described in section 1(a)(3) and 1(a)(4) of this chapter.

(b) The procedure established under this section must include at least the following:

(1) An application procedure to identify projects that qualify for



1 funding.

2 (2) Criteria for prioritizing projects.

3 (3) Procedures for selecting projects.

4 ~~(4) Procedures for reporting the results of the selection process~~  
 5 ~~and the status of projects to the commission on state tax and~~  
 6 ~~financing policy.~~

7 (c) The prioritization and selection process under this section must  
 8 give consideration to the following:

9 (1) The impact of the project on toll road usage.

10 (2) Consistency of the project with local transportation plans.

11 (3) The extent to which the project will have local financial  
 12 participation relative to local available resources.

13 (4) The amount of vehicular traffic served.

14 (5) The potential local economic impact.

15 (6) Whether the project is deemed to be an emergency by the  
 16 applicant and the authority.

17 SECTION 17. IC 12-7-2-34 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 34. "Commission"  
 19 means the following:

20 (1) For purposes of IC 12-10-2, the meaning set forth in  
 21 IC 12-10-2-1.

22 ~~(2) For purposes of IC 12-11-7, the meaning set forth in IC~~  
 23 ~~12-11-7-1.~~

24 ~~(3) (2)~~ For purposes of IC 12-12-2, the meaning set forth in  
 25 IC 12-12-2-1.

26 ~~(4) (3)~~ For purposes of IC 12-13-14, the meaning set forth in  
 27 IC 12-13-14-1.

28 ~~(5) (4)~~ For purposes of IC 12-14-12, the meaning set forth in  
 29 IC 12-14-12-1.

30 ~~(6) (5)~~ For purposes of IC 12-28-1, the meaning set forth in  
 31 IC 12-28-1-3.

32 SECTION 18. IC 12-17-2-18 IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 18. (a) The  
 34 bureau shall make the agreements necessary for the effective  
 35 administration of the plan with local governmental officials within  
 36 Indiana. The bureau shall contract with:

37 (1) a prosecuting attorney; or

38 (2) a private attorney if the bureau determines that a reasonable  
 39 contract cannot be entered into with a prosecuting attorney; ~~and~~  
 40 ~~the determination is approved by at least two-thirds (2/3) of the~~  
 41 ~~Indiana child custody and support advisory committee (established~~  
 42 ~~under IC 33-2.1-10-1);~~



1 in each judicial circuit to undertake activities required to be performed  
 2 under Title IV-D of the federal Social Security Act (42 U.S.C. 651),  
 3 including determination of paternity, determination and enforcement  
 4 of child support, activities under the Uniform Reciprocal Enforcement  
 5 of Support Act (IC 31-2-1, before its repeal) or the Uniform Interstate  
 6 Family Support Act (IC 31-18, or IC 31-1.5 before its repeal), and if the  
 7 contract is with a prosecuting attorney, prosecutions of welfare fraud.

8 (b) The hiring of an attorney by an agreement or a contract made  
 9 under this section is not subject to the approval of the attorney general  
 10 under IC 4-6-5-3. An agreement or a contract made under this section  
 11 is not subject to IC 4-13-2-14.3 or IC 5-22.

12 SECTION 19. IC 12-17-2-30 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 30. The director  
 14 of the division shall adopt the rules necessary to implement Title IV-D  
 15 of the federal Social Security Act and this chapter. ~~The division shall~~  
 16 ~~send a copy of each proposed or adopted rule to each member of the~~  
 17 ~~child custody and support advisory committee established by~~  
 18 ~~IC 33-2-1-10 not later than ten (10) days after proposal or adoption.~~

19 SECTION 20. IC 14-13-3-4 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) The commission  
 21 consists of the following members:

- 22 (1) The executive of Gary.
- 23 (2) The executive of Hammond.
- 24 (3) The executive of East Chicago.
- 25 (4) The executive of Portage.
- 26 (5) The executive of Michigan City.
- 27 (6) The executive of Whiting.
- 28 (7) The director of the department of commerce, who is a
- 29 nonvoting member.
- 30 (8) The director of the department, who is a nonvoting member.
- 31 **(9) Three (3) members of the general assembly, who are**
- 32 **nonvoting members appointed under section 5.5 of this**
- 33 **chapter.**

34 (b) A member of the commission may designate an individual to  
 35 serve on the commission in the member's place.

36 SECTION 21. IC 14-13-3-5.5 IS ADDED TO THE INDIANA  
 37 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 1999]: **Sec. 5.5. (a) The members appointed**  
 39 **to the commission from the general assembly are as follows:**

- 40 (1) A member who resides in Lake County.
- 41 (2) A member who resides in LaPorte County.
- 42 (3) A member who resides in Porter County.



1       **(b) Not more than two (2) members appointed under this section**  
 2       **may be of:**

3       **(1) the same political party; or**

4       **(2) the same chamber of the general assembly.**

5       **(c) The governor shall annually make the appointments**  
 6       **required under this section.**

7       **(d) If a member of the general assembly appointed under this**  
 8       **section ceases to be a member of the general assembly, the member**  
 9       **also ceases to be a member of the commission, creating a vacancy**  
 10       **for the duration of the member's term.**

11       **(e) If a vacancy exists under subsection (d), the governor shall**  
 12       **appoint a member of the general assembly to fill the vacancy for**  
 13       **the duration of the former member's term. A member appointed**  
 14       **under this subsection must have the same qualifications as the**  
 15       **former member whose position has become vacant.**

16       SECTION 22. IC 14-13-3-6 IS AMENDED TO READ AS  
 17       FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) **Except as**  
 18       **provided in subsection (c),** members of the commission are not  
 19       entitled to receive from the commission a per diem. However, the  
 20       members are entitled to receive an amount for mileage or travel.

21       (b) Designees:

22       (1) of members of the commission; and

23       (2) who are not holders of public office;

24       are entitled to receive from the commission an amount for per diem,  
 25       mileage, and travel allowance equal to that fixed by the budget agency  
 26       as payment to all persons entitled to receive those payments from the  
 27       state.

28       **(c) A member appointed under section 5.5 of this chapter is**  
 29       **entitled to receive the same per diem, mileage, and travel**  
 30       **allowances paid to members of the general assembly serving on**  
 31       **interim study committees established by the legislative council.**

32       SECTION 23. [EFFECTIVE UPON PASSAGE] (a) **The**  
 33       **appointments made by the governor under IC 14-13-3-5.5, as**  
 34       **added by this act, must be made not later than June 30, 1999.**

35       **(b) This SECTION expires July 1, 1999.**

36       SECTION 24. IC 29-1-1-4 IS AMENDED TO READ AS  
 37       FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 4. The report of  
 38       the probate code study commission **(notwithstanding its repeal in**  
 39       **1999)** made pursuant to Acts 1949, c. 302, s. 5 and Acts 1951, c. 347,  
 40       s. 2 may be consulted by the courts to determine the underlying  
 41       reasons, purposes, and policies of this article, and may be used as a  
 42       guide in its construction and application.



SECTION 25. IC 32-3-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 14. The official comments published by the probate code study commission **(notwithstanding its repeal in 1999)** may be consulted by the courts to determine the underlying reasons, purposes, and policies of this chapter and may be used as a guide in its construction and application.

SECTION 26. P.L.37-1998, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: SECTION 4. (a) ~~As used in this SECTION, "commission" refers to the Indiana commission on mental health created by this act.~~

~~(b)~~ The division of mental health, before developing study and evaluation instruments, shall, with the contractor, meet with representatives of mental health consumers, advocacy groups, employee groups, and managed care providers.

~~(c)~~ **(b)** Notwithstanding IC 12-29-2, the division of mental health:

(1) may continue to develop and implement a prospective or per diem funding system to fund:

(A) eligible community mental health centers; and

(B) managed care providers;

for services to eligible mentally ill and substance abuse patients other than seriously and persistently mentally ill adults; and

(2) may continue to implement the division's prospective payment system for funding programs that benefit seriously and persistently mentally ill adults;

if all prospective or per diem payment systems implemented by the division are developed using actuarial data and principles and generally accepted accounting principles incurred by efficient and economically operated programs that serve mentally ill and substance abuse patients who are found to be eligible for care that is paid for in part or in whole by the state. Adequate management information and patient tracking systems must also be developed and in place before implementation.

~~(d)~~ **(c)** The division of mental health shall develop proposed rules under IC 4-22-2 for managed care providers in accordance with the results of the actuarial study and pilot program conducted under this SECTION. ~~and report the proposed rules to the commission before July 1, 1997.~~ The division of mental health shall also submit annual status reports concerning the requirements of this SECTION to the ~~commission.~~ **legislative council.**

~~(e)~~ **(d)** The division of mental health shall, before April 1, 1998, adopt rules under IC 4-22-2:

(1) setting forth specific criteria for managed care providers under IC 12-21 through IC 12-29; and



(2) notwithstanding IC 12-29-2, creating an operational and prospective funding system that is consistent with IC 12-21-2-7, as amended by this act.

⊕ (e) This SECTION expires January 1, 2000.

SECTION 27. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2000]: IC 2-5-2; IC 2-5-3; IC 2-5-5; IC 2-5-12; IC 2-5-16; IC 2-5-18; IC 2-5-19; IC 2-5-20; IC 2-5-21; IC 2-5-23; IC 2-5-24.1; IC 2-5-25; IC 4-22-2-46; IC 5-13-9.1; IC 12-11-7; IC 14-25-7-16; IC 15-1-1.5; IC 15-1.5-3-9; IC 33-1-15; IC 33-2.1-10; P.L.40-1994, SECTION 86; P.L.40-1994, SECTION 87; P.L.78-1994, SECTION 5; P.L.172-1994, SECTION 4; P.L.335-1995, SECTION 1; P.L.338-1995, SECTION 1; P.L.248-1996, SECTION 1; P.L.251-1996, SECTION 1; P.L.87-1997, SECTION 4; P.L.109-1997, SECTION 4; P.L.163-1997, SECTION 2; P.L.239-1997, SECTION 1; P.L.241-1997, SECTION 1; P.L.242-1997, SECTION 1; P.L.245-1997, SECTION 2; P.L.249-1997, SECTION 1; P.L.37-1998, SECTION 3; P.L.102-1998, SECTION 2; P.L.102-1998, SECTION 3; P.L.130-1998, SECTION 1; P.L.130-1998, SECTION 2; P.L.131-1998, SECTION 1.

SECTION 28. **An emergency is declared for this act.**

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 123, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, delete lines 11 through 28, begin a new paragraph and insert:

**"Sec. 5. (a) After January 1 of each year, the chairman of the legislative council may designate:**

- (1) a chair of the study committees established in section 3(1) through 3(10) of this chapter from among each study committee's members; and**
- (2) a vice chair of the study committees established in section 3(11) through 3(20) of this chapter from among each study committee's members.**

**(b) The chairman of the legislative council may replace the chair or vice chair of any study committee who was appointed by the chairman of the legislative council.**

**(c) The chair or vice chair of a study committee appointed under this section serves as chair or vice chair until the chair or vice chair is:**

- (1) no longer a member of the study committee; or**
- (2) replaced under subsection (b).**

**Sec. 6. (a) After January 1 of each year, the vice chairman of the legislative council may designate:**

- (1) a chair of the study committees established in section 3(11) through 3(20) of this chapter from among each study committee's members; and**
- (2) a vice chair of the study committees established in section 3(1) through 3(10) of this chapter from among each study committee's members.**

**(b) The vice chairman of the legislative council may replace the chair or vice chair of any study committee who was appointed by the vice chairman of the legislative council.**

**(c) The chair or vice chair of a study committee appointed under this section serves as chair or vice chair until the chair or vice chair is:**

- (1) no longer a member of the study committee; or**
- (2) replaced under subsection (b)."**

Page 4, line 29, delete "(d)" and insert "Sec. 6.5."

Page 4, line 34, delete "A" and insert "Subject to the legislative

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**council's policies governing study committees, a".**

Page 4, line 37, delete "Seven (7) members of a study committee are" and insert "**A majority of the members appointed to a study committee is**".

Page 4, line 39, delete "seven (7) members" and insert "**a majority of the appointed members**".

and when so amended that said bill do pass.

(Reference is to SB 123 as introduced.)

GARTON, Chairperson

Committee Vote: Yeas 4, Nays 3.

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SENATE MOTION

Mr. President: I move that Senate Bill 123 be amended to read as follows:

Replace the effective dates in SECTIONS 1 through 23 with "[EFFECTIVE JANUARY 1, 2000]".

Page 5, between lines 32 and 33, begin a new paragraph and insert: "**Sec. 18. This chapter expires January 1, 2002.**".

(Reference is to SB 123 as printed February 12, 1999.)

MILLER

SENATE MOTION

Mr. President: I move that Senate Bill 123 be amended to read as follows:

Page 14, line 41, delete "IC 8-1-2.5-9; IC 8-1-2.6-4;".

(Reference is to SB 123 as printed February 12, 1999.)

LONG

SENATE MOTION

Mr. President: I move that Senate Bill 123 be amended to read as follows:

Page 2, delete line 27.

Page 2, line 28, delete "(8)" and insert "(7)".

Page 2, line 29, delete "(9)" and insert "(8)".

Page 2, line 31, delete "(10)" and insert "(9)".

Page 2, line 32, delete "(11)" and insert "(10)".

Page 2, line 33, delete "(12)" and insert "(11)".

Page 2, line 35, delete "(13)" and insert "(12)".

Page 2, line 36, delete "(14)" and insert "(13)".

Page 2, line 37, delete "(15)" and insert "(14)".

Page 2, line 38, delete "(16)" and insert "(15)".

Page 2, line 39, delete "(17)" and insert "(16)".

Page 2, line 40, delete "(18)" and insert "(17)".

Page 2, line 42, delete "(19)" and insert "(18)".

Page 20, line 2, delete "(20)" and insert "(19)".

Page 13, between lines 38 and 39, begin a new paragraph and insert the following:

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"SECTION 22. P.L.248-1996, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 1. (a) As used in this SECTION, "council" refers to the environmental quality service council established by subsection (c).

(b) As used in this SECTION, "department" refers to the department of environmental management.

(c) The environmental quality service council is established.

(d) The council consists of twenty-four (24) members appointed as follows:

(1) Four (4) members of the senate, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the president pro tempore of the senate.

(2) Four (4) members of the house of representatives, not more than two (2) of whom may be affiliated with the same political party, to be appointed by the speaker of the house of representatives.

(3) The commissioner of the department or the commissioner's designee.

(4) Fifteen (15) individuals who are not members of the general assembly and who are appointed by the governor as follows:

(A) Four (4) individuals representing business and industry, not more than two (2) of whom may be affiliated with the same political party.

(B) Four (4) individuals representing local government, not more than two (2) of whom may be affiliated with the same political party.

(C) Two (2) individuals representing environmental organizations, not more than one (1) of whom may be affiliated with the same political party.

(D) Two (2) individuals representing the general public, not more than one (1) of whom may be affiliated with the same political party.

(E) Three (3) individuals representing the following interests:

(i) One (1) representative of semipublic permittees.

(ii) Two (2) representatives of agriculture, not more than one (1) of whom may be affiliated with the same political party.

Until an appointment is made under clause (A), (B), (C), or (E), an unfilled position shall be held by the corresponding member of the environmental quality service council serving on December 31, 1995, who was appointed under P.L.16-1994, SECTION 14(d)(4), and who represented the same interest as that of the unfilled

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position.

(e) Appointments are valid for two (2) years after the date of the appointment. However, a member shall serve on the council until a new appointment is made.

(f) A vacancy among the members of the council shall be filled by the appointing authority of the member whose position is vacant. If the appointing authority does not fill a vacancy within sixty (60) days after the date the vacancy occurs, the vacancy shall be filled by the chairman of the legislative council.

(g) The chairman of the legislative council shall designate a member of the council to be the chairman of the council.

(h) The chairman of the council shall call for the council to meet at least six (6) times during a calendar year. The chairman may designate subcommittees to meet between committee meetings and report back to the full council.

(i) Each member of the council is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, serving on interim study committees established by the legislative council.

(j) The council shall do the following:

(1) Advise the commissioner of the department on policy issues decided upon by the council.

(2) Review the mission and goals of the department and evaluate the implementation of the mission.

(3) Serve as a council of the general assembly to evaluate:

(A) resources and structural capabilities of the department to meet the department's priorities; and

(B) program requirements and resource requirements for the department.

(4) Serve as a forum for citizens, the regulated community, and legislators to discuss broad policy directions.

(5) Submit a final report to the governor, the general assembly, the budget committee, and the administrative rules oversight committee established by IC 2-5-18 before November 1, 1996, and each year thereafter, that contains:

(A) an outline of activities of the council;

(B) recommendations for any department action;

(C) recommendations for any legislative action; and

(D) an estimate of funding levels required by the department, including an evaluation of permit fees.

(k) The commissioner of the department shall report to the council each month concerning the following:

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- (1) Permitting programs and technical assistance.
- (2) Proposed rules and rulemaking in progress.
- (3) The financial status of the department.
- (4) Any additional matter requested by the council.
- (l) The council shall:
  - (1) operate under procedures; and
  - (2) issue reports and recommendations;
 as directed by the legislative council.
- (m) The legislative services agency shall provide staff support to the council.
- (n) This SECTION expires December 31, ~~2000~~ **2003**."
 

Page 15, line 3, delete "P.L. 248-1996;"

Renumber all SECTIONS consecutively.

(Reference is to SB 123 as printed February 12, 1999.)

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred Senate Bill 123, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 2-2.1-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]:  
Sec. 2. (a) Not later than seven (7) calendar days following the first session day in January of each year every member of the general assembly shall file with the principal clerk of the house or secretary of the senate, respectively, a written statement of the member's or candidate's economic interests for the preceding calendar year listing the following:

- (1) The name of the member's or candidate's employer and the employer of the member's or candidate's spouse and the nature of the employer's business. The house of representatives and senate need not be listed as an employer.
- (2) The name of any sole proprietorship owned or professional practice operated by the member or candidate or the member's or candidate's spouse and the nature of the business.
- (3) The name of any partnership of which the member or candidate or the member's or candidate's spouse is a member and the nature of the partnership's business.
- (4) The name of any corporation of which the member or candidate or the member's or candidate's spouse is an officer or director and the nature of the corporation's business. Churches need not be listed.
- (5) The name of any corporation in which the member or candidate or the member's or candidate's spouse or unemancipated children own stock or stock options having a fair market value in excess of ten thousand dollars (\$10,000). No time or demand deposit in a financial institution or insurance policy need be listed.
- (6) The name of any state agency or the supreme court of Indiana which licenses or regulates the following:
  - (A) The member's or candidate's or the member's or candidate's spouse's profession or occupation.
  - (B) Any proprietorship, partnership, corporation, or limited liability company listed under subdivision (2), (3), or (4) and the nature of the licensure or regulation.

The requirement to file certain reports with the secretary of state

ES 123—LS 6303/DI 75+



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or to register with the department of state revenue as a retail merchant, manufacturer, or wholesaler shall not be considered as licensure or regulation.

(7) The name of any person whom the member or candidate knows to have been a lobbyist in the previous calendar year and knows to have purchased any of the following:

(A) From the member or candidate, the member's or candidate's sole proprietorship, or the member's or candidate's family business, goods or services for which the lobbyist paid in excess of one hundred dollars (\$100).

(B) From the member's or candidate's partner, goods or services for which the lobbyist paid in excess of one thousand dollars (\$1,000).

**This subdivision does not apply to purchases made after December 31, 1998, by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public.**

(8) The name of any person or entity from whom the member or candidate received the following:

(A) Any gift of cash from a lobbyist.

(B) Any single gift other than cash having a fair market value in excess of one hundred dollars (\$100).

However, a contribution made by a lobbyist to a charitable organization (as defined in Section 501(c) of the Internal Revenue Code) in connection with a social or sports event attended by legislators need not be listed by a member of the general assembly unless the contribution is made in the name of the legislator.

(C) Any gifts other than cash having a fair market value in the aggregate in excess of two hundred fifty dollars (\$250). Campaign contributions need not be listed. Gifts from a spouse or close relative need not be listed unless the donor has a substantial economic interest in a legislative matter.

(9) The name of any lobbyist who is:

(A) a member of a partnership or limited liability company;

(B) an officer or a director of a corporation; or

(C) a manager of a limited liability company;

of which the member or candidate for the general assembly is a partner, an officer, a director, a member, or an employee, and a description of the legislative matters which are the object of the lobbyist's activity.

(10) The name of any person or entity on whose behalf the member or candidate has appeared before, contacted, or transacted

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business with any state agency or official thereof, the name of the state agency, the nature of the appearance, contact, or transaction, and the cause number, if any. This requirement does not apply when the services are rendered without compensation.

(11) The name of any limited liability company of which the member of the general assembly, the candidate, or the member's or candidate's individual spouse has an interest.

(b) Before any person, who is not a member of the general assembly files the person's declaration of candidacy, declaration of intent to be a write-in candidate, or petition of nomination for office or is selected as a candidate for the office under IC 3-13-1 or IC 3-13-2, the person shall file with the clerk of the house or secretary of the senate, respectively, the same written statement of economic interests for the preceding calendar year that this section requires members of the general assembly to file.

(c) Any member of or candidate for the general assembly may file an amended statement upon discovery of additional information required to be reported."

Page 2, line 34, after "labor" insert "**and pensions**".

Page 2, delete line 36.

Page 2, line 37, delete "(15)" and insert "**(14)**".

Page 2, line 38, delete "(16)" and insert "**(15)**".

Page 2, line 38, delete "public safety." and insert "**the environment.**".

Page 2, line 39, delete "(17)" and insert "**(16)**".

Page 2, line 41, delete "(18)" and insert "**(17)**".

Page 3, line 1, delete "(19)" and insert "**(18)**".

Page 3, line 9, delete "of the" and insert "**of a**".

Page 3, line 17, delete "the" and insert "**a**".

Page 3, line 27, delete "The members" and insert "**The two (2) members**".

Page 3, line 28, delete "either".

Page 3, line 28, delete "or the" and insert "**and the two (2) members appointed by the**".

Page 4, line 13, delete "3(10)" and insert "**3(9)**".

Page 4, line 16, delete "3(11) through 3(20)" and insert "**3(10) through 3(18)**".

Page 4, line 28, delete "3(11)" and insert "**3(10)**".

Page 4, line 29, delete "3(20)" and insert "**3(18)**".

Page 4, line 32, delete "3(10)" and insert "**3(9)**".

Page 5, between lines 32 and 33, begin a new paragraph and insert: "SECTION 4. IC 2-7-3-6 IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: Sec. 6. (a) A lobbyist shall file a written report with respect to a member of the general assembly whenever either of the following occurs:

(1) The lobbyist has made a purchase described in IC 2-2.1-3-2(a)(7) with respect to that member. **This subdivision does not apply to purchases made after December 31, 1998, by a lobbyist from a legislator's retail business made in the ordinary course of business at prices that are available to the general public.**

(2) The lobbyist has made a gift described in IC 2-2.1-3-2(a)(8) to that member.

(b) A report required by subsection (a) must state the following:

(1) The name of the lobbyist.

(2) Whether the report covers a purchase described in IC 2-2.1-3-2(a)(7) or a gift described in IC 2-2.1-3-2(a)(8).

(c) A lobbyist shall file a copy of a report required by this section with both of the following:

(1) The commission.

(2) The member of the general assembly with respect to whom the report is made.

(d) A lobbyist shall file a report required by subsection (a) not more than thirty (30) days after making the purchase or giving the gift."

Page 6, line 20, after "commission" insert ".".

Page 6, line 20, delete "(before its repeal in 1999)".

Page 7, delete lines 18 through 22.

Page 8, delete lines 37 through 40.

Page 11, delete lines 29 through 42.

Page 12, delete lines 1 through 34.

Page 12, delete line 42.

Page 13, delete lines 1 through 16.

Page 13, delete lines 23 through 42.

Delete pages 14 through 15.

Page 16, delete lines 1 through 7.

Page 17, line 7, delete "IC 2-5-1.1-10;"

Page 17, line 9, delete "IC 4-22-8-11;"

Page 17, line 13, before "P.L.251-1996," insert "P.L.248-1996, SECTION 1;"

(Renumber all SECTIONS consecutively.)

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and when so amended that said bill do pass.

(Reference is to SB 123 as reprinted February 24, 1999.)

MOSES, Chair

Committee Vote: yeas 9, nays 0.

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## HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 123 be amended to read as follows:

Page 14, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 15. IC 14-13-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) The commission consists of the following members:

- (1) The executive of Gary.
- (2) The executive of Hammond.
- (3) The executive of East Chicago.
- (4) The executive of Portage.
- (5) The executive of Michigan City.
- (6) The executive of Whiting.
- (7) The director of the department of commerce, who is a nonvoting member.
- (8) The director of the department, who is a nonvoting member.
- (9) Three (3) members of the general assembly, who are nonvoting members appointed under section 5.5 of this chapter.**

(b) A member of the commission may designate an individual to serve on the commission in the member's place.

SECTION 16. IC 14-13-3-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 5.5. (a) The members appointed to the commission from the general assembly are as follows:**

- (1) A member who resides in Lake County.**
- (2) A member who resides in LaPorte County.**
- (3) A member who resides in Porter County.**

**(b) Not more than two (2) members appointed under this section may be of:**

- (1) the same political party; or**
- (2) the same chamber of the general assembly.**

**(c) The governor shall annually make the appointments required under this section.**

**(d) If a member of the general assembly appointed under this section ceases to be a member of the general assembly, the member also ceases to be a member of the commission, creating a vacancy for the duration of the member's term.**

**(e) If a vacancy exists under subsection (d), the governor shall appoint a member of the general assembly to fill the vacancy for the duration of the former member's term. A member appointed under this subsection must have the same qualifications as the**



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**former member whose position has become vacant.**

SECTION 17. IC 14-13-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) **Except as provided in subsection (c),** members of the commission are not entitled to receive from the commission a per diem. However, the members are entitled to receive an amount for mileage or travel.

(b) Designees:

- (1) of members of the commission; and
- (2) who are not holders of public office;

are entitled to receive from the commission an amount for per diem, mileage, and travel allowance equal to that fixed by the budget agency as payment to all persons entitled to receive those payments from the state.

(c) **A member appointed under section 5.5 of this chapter is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council.**

SECTION 18. [EFFECTIVE UPON PASSAGE] (a) **The appointments made by the governor under IC 14-13-3-5.5, as added by this act, must be made not later than June 30, 1999.**

(b) **This SECTION expires July 1, 1999."**

Renumber all SECTIONS consecutively.

(Reference is to ESB123 as printed April 6, 1999.)

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#### HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 123 be amended to read as follows:

Page 2, line 36, after "public." insert **"For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as defined in IC 6-2.5-1-8."**

Page 8, line 10, after "public." insert **"For purposes of this subdivision, a legislator's business is considered a retail business if the business is a retail merchant as defined in IC 6-2.5-1-8."**

(Reference is to ESB 123 as printed April 6, 1999.)

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## HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 123 be amended to read as follows:

Page 3, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 2. IC 2-3.5-2-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. "Salary" means:

- (1) the salary; and
- (2) the business per diem allowance and the subsistence allowance treated as compensation for federal income tax purposes;

paid to a participant by the state, determined without regard to any salary reduction agreement established under Section 125 **or Section 457** of the Internal Revenue Code.

SECTION 3. IC 2-3.5-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) The defined contribution fund consists of the following:

- (1) Each participant's contributions to the fund.
- (2) Contributions made to the fund on behalf of the participants under section 5 of this chapter.
- (3) Amounts transferred to the fund under subsections (b) and (c).
- (4) All gifts, grants, devises, and bequests in money, property, or other form made to the fund.
- (5) All earnings on investments or on deposits of the funds.
- (6) All contributions or payments to the fund made in a manner provided by the general assembly.

(b) On **any** July 1 following the date a participant begins participation in the defined contribution fund, if the participant has been before that date a member of PERF, any amount in the PERF annuity savings account credited to the participant may at the participant's irrevocable option be transferred **one (1) time** to the defined contribution fund for the benefit of the participant. At no other time, if the participant continues or begins to participate in PERF, may such a transfer be made.

(c) On **any** July 1 following the date a participant begins participation in the defined contribution fund, if the participant has been before that date a member of TRF, the amount in the TRF annuity savings account credited to the participant may at the participant's irrevocable election be transferred **one (1) time** to the defined contribution fund for the benefit of the participant. At no other time, if the participant continues or begins to participate in TRF, may the transfer be made.

(d) Each participant shall be credited individually with:

- (1) the participant's contributions to the fund under section 4 of

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this chapter, which shall be credited to the ~~employee contribution~~ **participant's** account;

(2) the contributions made to the fund on behalf of the participant under section 5 of this chapter, which shall be credited to the ~~employee contribution~~ **participant's** account;

(3) the amount transferred to the fund under subsections (b) and (c), which shall be credited to the ~~employee contribution~~ **participant's** account; and

(4) the net earnings on ~~each of~~ the participant's accounts, determined ~~and credited annually~~ under section 3 of this chapter.

SECTION 4. IC 2-3.5-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) **The PERF board shall establish alternative investment programs within the fund, based on the following requirements:**

(1) **The PERF board shall maintain at least one (1) alternative investment program that is an indexed stock fund and one (1) alternative investment program that is a bond fund.**

(2) **The programs should represent a variety of investment objectives.**

(3) **The programs may not permit a member to withdraw money from the member's account, except as provided in section 6 of this chapter.**

(4) **All administrative costs of each alternative program shall be paid from the earnings on that program.**

(5) **A valuation of each member's account must be completed as of the last day of each quarter.**

(b) **A member shall direct the allocation of the amount credited to the member among the available alternative investment funds, subject to the following conditions:**

(1) **A member may make a selection or change an existing selection at any time, but not more than four (4) times in a twelve (12) month period.**

(2) **The PERF board shall implement the member's selection beginning the first day of next calendar quarter that begins at least thirty (30) days after the selection is received by the PERF board. This date is the effective date of the member's selection.**

(3) **A member may select any combination of the available investment funds, in ten percent (10%) increments.**

(4) **A member's selection remains in effect until a new selection is made.**

(5) **On the effective date of a member's selection, the board**



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shall reallocate the member's existing balance or balances in accordance with the member's direction, based on the market value on the effective date.

(6) If a member does not make an investment selection of the alternative investment programs, the member's account shall be invested in the bond fund.

(7) All contributions to the member's account shall be allocated as of the last day of the quarter in which the contributions are received in accordance with the member's most recent effective direction. The PERF board shall not reallocate the member's account at any other time.

(c) When a member transfers the amount credited to the member from one (1) alternative investment program to another alternative investment program, the amount credited to the member shall be valued at the market value of the member's investment, as of the day before the effective date of the member's selection. When a member retires, becomes disabled, dies, or withdraws from the fund, the amount credited to the member shall be the market value of the member's investment as of the last day of the quarter preceding the member's distribution or annuitization at retirement, disability, death, or withdrawal, plus contributions received after that date.

(d) The PERF board shall ~~annually~~ determine the ~~fair market~~ value of **each alternative program in** the defined contribution fund, as of the ~~allocation date~~, **last day of each calendar quarter**, as follows:

(1) The ~~current~~ fair market value shall exclude the employer contributions and employee contributions ~~made on account of received during the year quarter~~ ending on the current allocation date.

(2) The fair market value as of the immediately preceding ~~allocation quarter end~~ date shall include the employer contributions and employee contributions ~~made on account of received during that preceding year quarter~~.

(3) The fair market value as of the immediately preceding ~~allocation quarter end~~ date shall exclude benefits paid from the fund during the ~~year quarter~~ ending on the current ~~allocation quarter end~~ date.

(b) The PERF board shall allocate the difference in fair market value between the immediately preceding and the current allocation date to the accounts of the participants in the same proportion that the balance of each participant's account as of the current allocation date (excluding employer contributions and employee contributions made

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on account of the year ending on the current allocation date) bears to the balance of all participants' accounts as of the current allocation date (excluding employer contributions and employee contributions made on account of the year ending on the current allocation date):

SECTION 5. IC 2-3.5-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) A participant who terminates service as a member of the general assembly is entitled to withdraw both the participant's employee contribution account and employer contribution account from the defined contribution fund. The withdrawal shall be made on the later of the first day of the month following termination of service or thirty (30) days after the board receives a request for withdrawal from the fund. The amount available for the withdrawal shall be the fair market value of the participant's accounts on the June 30 preceding the date of withdrawal plus employee contributions deducted since the June 30 preceding the date of withdrawal.

(b) The withdrawal amount shall be paid in a lump sum, ~~or as an actuarially equivalent a~~ monthly annuity as ~~offered~~ **purchased** by the PERF board ~~and with the withdrawal amount, or a series of monthly installment payments over sixty (60), one hundred twenty (120), or one hundred eighty (180) months,~~ as elected by the participant. The forms of annuity **and installments** shall be established by the PERF board by rule, in consultation with the system's actuary.

SECTION 6. IC 2-3.5-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) This section applies to a participant who dies while a member of the general assembly, or who dies after terminating service as a member of the general assembly and prior to withdrawing the participant's account from the defined contribution fund. The participant's employee contribution account and the participant's employer contribution account shall be paid to a beneficiary or the beneficiaries designated on a form prescribed by the board. The amount paid shall be the fair market value of the participant's accounts on the June 30 preceding the date of payment, plus employee contributions deducted since the June 30 preceding the date of payment. If there is no properly designated beneficiary, or if no beneficiary survives the participant, the participant's accounts shall be paid to:

- (1) the surviving spouse of the participant;
- (2) if there is no surviving spouse, a surviving dependent or the surviving dependents of the participant; or
- (3) if there is no surviving spouse and no surviving dependent, the estate of the participant.



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(b) Amounts payable under this section shall be paid in a lump sum, ~~or in an actuarially equivalent a monthly annuity as offered purchased~~ by the PERF board ~~and with the withdrawal amount, or a series of~~ **monthly installment payments over sixty (60) months**, as elected by the recipient. The forms of annuity **and installments** available shall be established by the PERF board by rule, in consultation with the system's actuary."

Renumber all SECTIONS consecutively.

(Reference is to ESB 123 as printed April 6, 1999.)

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